The A. F. of L. Weekly News Service gives news, accounts and editorial interpretations of matters affecting labor according to the Industrial, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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WHOLE NO. 1903 — WILLIAM GREEN, President — WASHINGTON, D. C., TUESDAY, SEPTEMBER 30, 1947 — GEORGE MEANY, Secretary-Treasurer — VOL. 37, NO. 39

LABOR'S GOAL! To Repeal Taft-Hartley Law

Federal Mediation Service Adopts 'Hands-Off' Policy In Labor Disputes

Washington, D. C.—Cyrus S. Ching, director of the new Federal Mediation and Conciliation Service created by the Taft-Hartley law, announced the service would follow a "hands-off" policy wherever possible in labor disputes arising from contract termination of collective bargaining contracts.

Mr. Ching said the service would put major emphasis on keeping out of as many industrial disputes as it can. Major disputes affecting interstate commerce will get first attention, he declared.

Ching said selection and screening of disputes which the service will enter is necessary because of the "great case-load burden" placed on it by the Taft-Hartley Act.

The law requires that wherever a dispute arises over a new contract or renewal of an old one in an industry affecting interstate commerce the Mediation Service shall be notified 30 days in advance of a threatened strike or lockout. Labor officials said this would apply to 500,000 firms and 15,000,000 members of organized labor—the same groups covered by the Federal Wage-Hour and Labor Relations Act.

Ching said he would shortly issue a form to be used by companies and unions in notifying the service of disputes involving modification or termination of existing agreements.

"This form will elicit information which will assist the service in determining whether in a particular case it has statutory jurisdiction to intercede and whether such intercession will be in accordance with the principles and policies expressed in this statement," Ching said.

"The cooperation of all employers and unions is earnestly solicited in the employment of these forms as soon as they are made available at the office of the service, international union and employer associations."

Ching reminded employers and unions that the Taft-Hartley Act "makes it a statutory duty . . . to participate fully and promptly in conciliation and mediation meetings called by the service."

He said he would follow these general rules:

1. Employers and unions will be encouraged to settle industrial differences by themselves.

2. Labor disputes, primarily local and having but a minor effect on interstate commerce, should be conciliated and mediated, if need be, by agencies of state or local governmental agencies, except for unusual cases.

3. The service will suggest that the parties agree to submit to arbitration any dispute or settlement to a secret ballot of the employes when other means of settlement has failed.

Prominent Figures Will Address AFL Convention

Washington, D. C.—Leading figures in national and international affairs have accepted invitations to address the 66th annual convention of the American Federation of Labor which opens Oct. 7 in San Francisco.

AFL President William Green made public a partial list of the speakers expected at the convention. It follows:

Lewis B. Schwellenbach, Secretary of Labor.

General Mark W. Clark, Commanding General of the U. S. Sixth Army.

James F. O'Neil, National Commander of the American Legion.

Hubert H. Humphrey, Mayor of Minneapolis.

J. R. Klawans, Chairman of the National Legislative Committee of the Veterans of Foreign Wars.

U. S. Senator Wayne Morse of Oregon.

Kurt Schumacher, head of the Social Democratic Party of Germany and leader of German unions.

James S. Killen, Chief of the Labor Division of General MacArthur's occupation forces in Japan.

Edward J. Phelan, Director of the International Labor Organization.

President Truman has been invited to attend and address the convention, but it is considered doubtful that he will be able to come. If he cannot, other personality of the president's choice will send an important message to the convention.

Mr. Green declared that two distinguished foreign personages invited to the convention have not yet responded. They are:

Leon Blum, former Premier of France.

Dr. Karl Arnold, Premier of North Rhine-Westphalia, Germany.

The convention will hear reports from two fraternal delegates from the British Trades Union Congress who are coming to San Francisco. They are:

Will Paskin, C.B.E., General Secretary of the Transport and General Workers' Union and a member of the General Council of the B.T.U.C.

Robert Openshaw, member of the Executive Committee of the Amalgamated Engineering Union.

Building Trades Confront Lockout By NLRB Ruling

San Francisco.—Thorny and complex problems developing out of the Taft-Hartley law faced the annual convention of the AFL Building and Construction Trades Department as its sessions opened here with President Richard J. Gray presiding.

Announcement by the National Labor Relations Board that it intended to exercise jurisdiction over most building trades cases will clamp the grip of government regulation for the first time over these unions representing more than 1,500,000 workers. Even during the war, the building trades cases were not handled by the National War Labor Board, as other labor disputes were, but by a special Board of Review on which the building trades unions had representation.

The major problem confronting the convention was the Denham ruling, issued by the NLRB's chief counsel, which prevents any union from bringing complaints or election petitions before the board unless all AFL affiliates sign non-Communist affidavits. The Executive Council has announced that it could not conform to this ruling. Thus the building trades, as well as all other affiliated unions, have been locked out by the NLRB, unless the Denham regulation is overruled by the board itself.

Without recourse to the NLRB, many of the collective bargaining gains and contractual standards won by the building trades unions over the last three-quarters of a century are threatened with being wiped out.

Traditionally, for instance, the building trades have operated under strict closed shop contracts, but the Taft-Hartley law outlawed the closed shop. To protect union security, many of the building trades organizations planned to ask for employe elections authorizing the type of union shop permitted under the new law, but the NLRB lockout now prevents them from obtaining such elections.

Officers of the Building and Construction Trades Department have been conferring with NLRB officials and the results of these conferences are expected to report the result of these conversations to the convention.

The board's attitude toward jurisdictional disputes is of special significance to the union officials in attendance at the conclave. In order to avoid jurisdictional strife, the Building and Construction Trades Department has worked out its own machinery for settling such disputes. The NLRB has been given final authority over such disputes by the Taft-Hartley law and the question arises whether the board will step in a jurisdictional dispute while the standing if one of the parties to the dispute refuses to abide and the NLRB intervenes.

The convention will also examine general housing and construction problems and recommend proposals to Congress for a vastly expanded housing program to meet the nation's needs.

Metal Trades Convention Opens; Frey Warns of Communist Menace

Urges Common-Sense Approach In Fight On Labor Law

San Francisco.—Delegates to the 38th convention of the AFL's Metal Trades Department in session here heard John P. Frey, president of the department, urge labor to employ common sense in the twin battles against the Taft-Hartley law and the menace of Communist infiltration into the labor movement.

In a comprehensive report to the convention, Mr. Frey reviewed the progress made by the department during the preceding year and declared that to meet the challenges that lie ahead the organization "was never in a more satisfactory position than it is today."

Referring to the Master Shipbuilding agreement on the Pacific Coast, Mr. Frey said:

"During the past year the affiliated and cooperating International Unions have made great progress in their agreements, and in doing so increase the wage rates.

Mr. Frey pointed to the lack of experience under the Taft-Hartley law's provisions by our unions. He said:

"For these practical and obvious reasons the interpretations and decisions are presented here. Instead the recommendation is asked that we continue to apply trade union common sense and judgment in the solution of the problems which will arise under the operation of the law. There is nothing unusual, nothing capturing the newspaper headlines, nothing startling as are of the heroic in applying common sense to the operation of the statute, yet, the progress our trade union movement has made, has developed on the foundation upon which it rests, is due more than anything else to the use of common sense in the development and application of sound trade union policy.

"Experiment against the Taft-Hartley Act should not lead us to depart from a sane, well-balanced policy to which we have adhered, and returned time and time again.

"We look back to the dark days and dismal future faced by labor when known as 'yellow dog' contracts and injunction and the yellow-dog contract were the order of the day to the present situation in which labor is confronted with repressive legislation. He said:

"The effort will secure the Norris-LaGuardia Anti-injunction Act, labor will not be compelled to accept yellow-dog contracts null and void, and those accomplished gains relating to the State Legislatures and to Congress those victories will be transferred to their friends, and by defeating our friends we will have made for their enemies.

"The spirit which animated our movement in its fight against injunctions and yellow-dog contracts is not dead. It is not even sleeping. It is fifty times stronger than ever before, and it must now be our function to mobilize this spirit, to so organize its effectiveness, so that every attack upon labor shall be rendered to be overcome.

Turning to the issue of Communism, Mr. Frey charged that the attitude of the Truman Government "has made world peace and security harder and more difficult, if not impossible."

"What seemed originally an effort to secure an economic peace is now for the Moscow ideology, has now become a power effort for the Soviet dictatorship to destroy all existing free institutions and governments of the world. It is not a pleasant or a reassuring picture. The immediate future, for it has become evident that the Soviet sacrifices nothing upon which cannot be adjusted through a compromise or arrangement. It is an effort, organized under a dictatorship, to bring the people throughout the world to surrender their liberties and to accept complete control of government to control by dictators.

"What sacrifices will be forced to make to maintain the freedom we now possess, time alone will demonstrate, but there can be no question that the sacrifices will be forced on the question of defending their own liberties, and giving assistance to other countries whose free institutions are being assailed by those whose every activity is controlled by dictators.

"The beginning of self-government and free institutions and their very origin among the peoples of northern Europe, among the common law and which came to full flower in our country, have been the envy of the most precious possession they could have, and which in their origin and heritage must not be sacrificed regardless of what cost the effort may require."

Mr. Frey also declared that the Communist question is a thorn in the side of those charged with the task of attempting an accommodation of the AFL and the CIO. He deplored the success of the Communists in retaining their influence in some CIO unions and asserted that such influence must be effectively nullified before any real merger can be achieved between the two labor organizations.

Chicago Teachers to Receive Bonuses; City Approves AFL Union's Proposal

Chicago.—The drive on the part of the AFL's American Federation of Teachers to bring at least partial success here when the Board of Education agreed to pay a bonus totaling $1,879,650 to teachers in the Chicago schools.

John M. Fewkes, president of the Chicago Teachers Union, said that nearly 18,000 public school teachers and school executives will share in the bonus to be distributed to each member. Mr. Fewkes, acting for the union, urged the Board of Education to authorize the bonus payments.

A $200 limit was set on payments to the board's highest salaried executive personnel.

The money, made available by the State Legislature for emergency distribution to teachers, will be paid to all eligible employes, said Charles H. Whipple, president of the board. The plan provides for each teacher receiving 41.4 percent of the salary earned from September 20 to October 24.

The $200 limit set for principals, assistant superintendents and other educational personnel will increase amounts available for payments to teachers in the existing relief fund yet been determined.

On the basis of a percentage of a month's pay, grade school teachers with a minimum salary level of $220 a month will receive a bonus of $91.08. Those at the top grade scheel pay will receive $132.48. High school teachers will receive $147.64 to $173.80.

Every teacher who holds a regular or temporary certificate and who time worked in the month ending October 24, including substitutes including those who may have teaching certificates, were ruled out.

The money available for the bonus is part of the additional tax levy voted by the legislature. The action of the board was not unanimous. While this year, but refused to grant the great increase sought in state aid by educational organizations. Chicago received enough to pay the salaries of $4,000 in grade and $4,800 in high schools.

Green Backs Campaign For Community Chests

Washington, D. C.—AFL President William Green gave his personal and official endorsement to the 1947 campaign to raise funds for the Community Chests of America.

Mr. Green, appointed a vice-chairman of the organization, said in a letter to H. E. Heiss, II, chairman of the campaign's state aid:

"Thousands of members of the American Federation of Labor in every part of the United States are taking active positions in the activities of their local Community Chests and Councils.

"As you know, this participation and active membership was responsible in large degree in making successful the campaigns of the Community War Chests. I am deeply convinced that the principles of life should be maintained during the pescetime era through the full participation of all citizens in local Community Chest campaigns.

"I and the members of the American Federation of Labor are well aware of the many fine services rendered to citizens by the Community Chests and Community Chest supported Red Feather Agencies.

"Because of the deep interest in these Chests and in the promotion of the humanitarian services rendered by them, I give my personal and official endorsement to the 1947 Community Chest campaigns."

Public Works Construction Projects Valued at $954,000,000 for 6 Months

Washington, D. C.—Federal and state construction projects begun during the first 6 months of 1947 are valued at $954,000,000, according to a report of the Federal Works Agency.

The total dollar value does not include residential building, activity for this year represents a 43 percent increase over projects initiated during the same period in 1946.

Preliminary figures indicate that contracts let during July, August and September will be 30 percent greater in value than those awarded for the preceding three months.

Forty states and the District of Columbia recorded increases in public works contract totals for the first half of 1947.

The five leading states in local public works contract awards were New York, California, Pennsylvania, Texas and Illinois. Their combined values represented 38 percent of the national total.

By type of construction, the agency said that the most pronounced gains over the first half of 1946 were: Utility construction, up 129 percent to $50,000,000; nonresidential building, up 123 percent to $220,000,000, and airfield, up 3-fold percent to $80,000,000.

The more moderate increase was shown in highways (which include bridges and projects) up 18 percent to $496,000,000.

59,220 VETS RECEIVING ON-JOB TRAINING IN N.Y.

Albany, N. Y.—Edward Corsi, New York Industrial Commissioner, reported that 59,220 veterans are receiving on-the-job training in projects approved by the Labor Department throughout the state.

Corsi said the State Labor Department is supplying to employers special "certificates of completion" to give veterans who have satisfactorily completed the training courses.

Under Federal regulations, employers must give a certificate of this type to each veteran completing an on-the-job training course. Mr. Corsi said the state agency would make the forms available without cost as "a small gesture of appreciation" to employers who were cooperating in the program.

Int'l Transport Workers Federation Wary of Joining Red-Dominated WFTU

Washington, D. C.—The International Transport Workers Federation does not intend to have its identity swallowed up by the World Federation of Trade Unions which it has created to a large extent by Russia.

The executive committee of the ITWF meeting here for one of its regular executive sessions adopted a declaration indicating its reluctance to become affiliated with the WFTU on terms set out by the latter organization.

In a statement, the committee, representing some 3,000,000 workers in many nations, said negotiations carried on since 1945 "have not contributed to narrowing the gap between the divergent points of view."

The ITWF has resisted steadfastly efforts on the part of the WFTU leadership to dominate the ITWF by two groups under regulations promulgated by the WFTU and submitted to the ITWF and other international bodies with the WFTU.

ITWF maintains that "the question of international organization in transport or industry is one to be decided by the direct interests concerned."

The action taken by the ITWF executive committee may be overruled by some 16 similar international labor organizations embracing more than 15,000,000 workers in many fields, all of which face the same problem of preserving their autonomy when considering affiliation with the WFTU.

These organizations have had a long existence in Europe and America and unions have been slow to affiliate with them. The bodies comprise workers in specific crafts and occupations, united on an international basis to further their common interests by raising standards of wages and working conditions.

The Transport Workers Federation, for example, consists of railwaymen, dock workers, seamen, and road haulage workers. The General Secretary of the federation is J. H. Oldenbroek of Holland.

In the background, but not discussed in negotiations, is the fear of many officials of the various international labor organizations that Russia can gain an upper hand, on the basis of continued membership in the bodies, of their organizations if they affiliate with the WFTU. The parallels the stand taken by the American Federation of Labor when it refused to have anything to do with the WFTU on the ground that the Russian trade unions are not free trade unions, but are merely tools of the Soviet government.

For this reason the ITWF has been wary of affiliation with the WFTU, although it has kept the door open by welcoming into its fold 1,500,000 American railway employes, members of the Railway Labor Executives Association. These workers have also been held relating to the possible affiliation of the ITWF with transport organization.

The IFT also welcomed the 350,000 German railway workers in the United States, British and Russian zones. This was done despite the Russian policy of forming a single, unified labor organization in all the occupied zones.

Strong Union Label Campaign Urged As Practical Means of Defeating Foes

San Francisco.—Officers of the Union Label Trades Department here urged delegates to the department's 39th convention to wage a vigorous campaign to influence American consumers to favor goods bearing the Union Label or services designated by the Union Card or Service Button.

The report of the department's executive board stressed the need for the redoubled efforts in this direction to protect labor's free and the labor movement from the shackles of the Taft-Hartley Act. The report declared:

"If American labor desires to repeal anti-union laws and obtain the rights to which it is entitled, then it must stop supporting those who are taking a stand on issues against it. These profits are used to employ highpriced lawyers who write the bills for our lobby-guided legislators and to buy propaganda to influence them. By spending their union-earned money for non-union goods, American workers help unfair employers to make huge profits, part of which are used to elect the politicians who pass laws to enslave American toilers.

"By withholding their support from unfair manufacturers and merchandisers and by patronizing only those firms that display the Union Label, Shop Card, and Service Button, American workers have the best guarantee that they will receive fair wages, and working conditions. They have the best assurance of securing higher labor standards now being advocated by the Executive Council of Labor and which help to make up what is known as 'your share of the loaf of life.'

"If we do not spend our high-wage purchasing power to help organized labor America products and union services, then we cannot expect that employers will continue to pay union wages and thereby maintain the standard of living all our members enjoy."

The report gave an account of the successful AFL Union Label and Industrial Exposition held in St. Louis in 1946 and announced plans for a similar event to be conducted in Milwaukee.

The report took the name of future exhibitions has been changed to "Union-Industries Show" for the present, said:

"The 1948 Union-Industries Show will be a glorious panorama for all things union. It will be a show window for union-made goods and a dress parade for union services. Many exhibitions have been instituted for dramatizing these facts to American consumers. They have proven profitable to both union workers and union employers alike."

Food Prices Zoom Upward Once More; Green Takes Post on Citizens Committee

Washington, D. C.—As the President's Citizens Committee prepared to meet at the White House, prices shot skyward again and most foodstuffs reached the full legal limit on the trade exchanges.

The sensational rise, following a slump in prices on the nation's primary markets, was interpreted by Chairman of the Harriman Foreign Aid Committee that this country must "export less to import less."

Upon receipt of this news the wheat exchange promptly went on a rampage with the price soaring the full 10 cents allowable shortly after the market opened.

The trend highlighted the problems which Secretary of Commerce Averell Lockman appointed to formulate plans for an over-all conservation program to resist food price increases and to provide adequate supplies for needy European countries.

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Taft Admits Employers Could Be 'Red'; Willing to Require Same Oath of Them

Portland, Ore.—Even Senator Robert A. Taft admits his Taft-Hartley Act has its flaws and should be changed.

He came up here with a suggestion that corporation officers should be required to take the same non-Communist oath that is required of union leaders before they can use the facilities of the National Labor Relations Board.

The Senator did not reveal, however, whether he favored such affidavits by all officers of all employers' organizations, such as the National Association of Manufacturers and the United States Chamber of Commerce.

The fact that employers are under no compulsion to sign non-Communist affidavits probably was an oversight of Congress when it was writing the law, he remarked. And he would have no objection to an amendment of the Taft-Hartley Act which would put them on the same footing as labor in this respect, he said.

"I guess it didn't occur to anyone in Congress that employer organizations might be fronting for the Communists," he explained. "But as far as I am concerned the law might as well be the same for labor and management with the labor board."

The Ohio Senator expressed the view in the matter in response to questions at a press conference.

CRUIKSHANK APPOINTED TO U. S. HOSPITAL COUNCIL

Washington, D. C.—Nelson Cruikshank, the AFL's director of social insurance activities, has been appointed to the Federal Hospital Council, established last year to help administer the Government's hospital survey and construction program.

GOVERNMENT TO PROBE INTO ILLEGAL EXPORTS

Washington, D. C.—The Commerce Department announced a drive against illegal exports of scarce commodities by violators of Federal export controls.

It said it will bear down, particularly on those who buy and sell licenses required for such shipments.

Officials said the drive was prompted by mounting concern over the effect of exports on domestic prices and also as a move to channel more exports to the needier countries of Western Europe.

STEEL SHORTAGE CAUSES DROP IN VEHICLE OUTPUT

Detroit—Sales of passenger cars, truck, and coaches declined 8 percent during August, according to the Automobile Manufacturers Association.

Total sales in August amounted to 349,424 vehicles as compared to July sales of 379,624 units. August sales were slightly higher than in the corresponding month of last year.

Shortages of steel continued to retard production, the AMA said. Some companies were forced to halt assembly operations during August for periods of up to 10 days.

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AMERICAN FEDERATION OF LABOR
WEEKLY NEWS SERVICE
SUPPLEMENT

WILLIAM GREEN, President — WASHINGTON, D. C., FRIDAY, OCTOBER 3, 1947 — GEORGE MEANY, Secretary-Treasurer

GIVE NOW
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For Release Oct. 6:

Council Renews Offer to Meet With CIO To Plan Organic Unity of Labor Groups

San Francisco.—The Executive Council announced it stands ready to meet with the CIO at any time for the purpose of achieving organizational unification of the two labor organizations.

In its report to the AFL convention the Council declared:

"We believe that this is the first and primary requirement which should be met. All other things are incidental.

"We cannot have peace and war at the same time. We cannot pretend to work together in the legislative field while engaged in fighting and raiding each other in another field.

"We believe the rank and file in both the American Federation of Labor and the CIO favor the establishment of organizational unity immediately, and the termination of strife, division, hatred and bitterness.

"The Executive Council stands ready to carry out the commitments it has made in favor of organizational unity within the ranks of labor. We to join in laying the foundation for the establishment of such a united movement and to honestly and sincerely work out the details incidental to the creation and establishment of such a united labor movement."

The Council's report delved into the history of prior negotiations between committees representing the AFL and the CIO, and charged the CIO with misrepresenting the terms of a resolution adopted by the AFL. The resolution stated that "it is the unanimous opinion of the representatives of the CIO and the AFL that organic unity should be established within the American Labor Movement." The Council said:

"This declaration can only be interpreted as meaning that the establishment of a solidified labor movement in a primary requirement to the development of cooperation and united action in the legislative, economic and industrial fields.

"Proceeding upon this assumption a communication dated July 10, 1947, was sent to the President of the CIO in which there was expressed the willingness and desire of the committee representing the Executive Council to meet again for the purpose of carrying out the declaration made at the meeting on May 2, 1947, as herein set forth. The committee understood this to mean that inasmuch as all had unanimously agreed that organic unity should be established within the labor movement, that the realization of this objective would now be our united purpose, that we would now proceed to lay the foundation for the establishment of organic unity and work out the details.

"To our surprise, the president of the CIO stated in a communication dated July 31, that this interpretation of the declaration unanimously adopted by the committee representing the American Federation of Labor and the committee representing the CIO was all wrong.

"A simple reading of the declaration unanimously adopted at the meeting of the representatives of the American Federation of Labor and the CIO will show that it is in no way susceptible of the interpretation placed upon it by the president of the CIO. The declaration specifically and unequivocally declared that the representatives of the American Federation of Labor and the CIO were of the unanimous opinion that organic unity should be established within the American labor movement; furthermore, that we are firmly convinced that the economic, social and industrial welfare of labor can be best served through the establishment of such a united labor movement. Then the statement further provides that, having agreed on fundamentals, we become our duty to lay a sound foundation upon which a superstructure of organic unity can be erected".

For Release Oct. 6:

Union Benefit Payments Topped $52 Million In '46

San Francisco.—The Executive Council reported a new record payment of $52,247,761 in various benefits to members of the standard national, international, and local unions affiliated with the AFL.

This total, disbursed during the last year, is the highest ever recorded and all unions submitted complete data to the AFL for incorporation in the final report.

Benefits paid included those for death, sickness, unemployment, old age, disability, and for other miscellaneous purposes. Details of the specific provisions of the benefit plans adopted by the various unions.

For Release Oct. 6:

AFL Executive Council Recommends Modifications In Federal Tax Program

San Francisco.—The Executive Council, in a section of its report devoted to the subject of taxation, recommended that the federal tax program "should balance the budget and yield substantial surpluses during periods of high employment."

While seeing no immediate relief from the high level of taxation, the Council said that certain modifications in the tax structure may be made which will "contribute much toward determining the degree of prosperity we maintain." The report declared:

"Any and all such modifications in the federal tax structure should be made with the following objectives in mind:

1. The proposed taxes should be adequate to provide for necessary services and to maintain the federal credit.

2. The proposed taxes should be equitable, increasing progressively as taxable income increases with due regard for the necessity of exempting the incomes of families at the minimum-subsistence levels.

3. The proposed taxes should operate so as to keep the buying power of consumers at the highest possible level, so that production and employment may be maintained.

4. The proposed taxes should not combine with other economic measures to depress or retard the development of any area, or place in an economic disadvantage in relation to other areas.

"In line with these objectives, we believe future federal tax programs should be based on the following considerations:

"The graduated personal income tax should continue to provide the bulk of the revenue. However, such changes adopted should not jeopardize the basic tax scale or the progressive system. If and when total revenue needs permit consideration in favor increasing the exemption for those in the lower income groups and the income of a family of four is exempt up to $2,000.

"As total revenue needs will permit we urge the repeal of all excise taxes except those on liquor, tobacco, and gasoline (providing income from gasoline tax is needed and used for highway development). These reductions in excise taxes which should be second in priority to income tax reduction for those at below subsistence level income, would mean tax savings of approximately $3.3 billion dollars based on excise tax revenue estimates for 1947.

"New and increased taxes levied by state and local governments in many instances taken the form of sales and excise taxes, and other such taxes that still further increase the tax burden on consumption levied at the local, state, and national level. Approximately 75 percent of the $43 billion in taxes collected by all levels of government are currently being derived from sales and state personal and business income taxes based on ability to pay principles. Therefore, the burden for necessary governmental support should rely on sales, excise, and nuisance taxes which are most burdensome and regressive in their income groups.

"Federal withdrawing future tax measures as they apply to business it should be borne in mind that business has been relieved of a considerable tax burden immediately after the cessation of hostilities than many economists anticipated. In fact, in the face of a definitely favorable postwar market for both durable and nondurable goods, the removal of price controls and with the spread of the excess profits tax and reduction in the surtax rate contributed considerably to bringing about the inflationary conditions now prevailing. Discussions of further reduction in corporate taxes at this time do not consider premature and ill-advised.

"We believe it desirable that social security income and expenditures should be segregated from the remainder of the federal budget. A re-examination of the whole social security program is also necessary.

"Present estate and gift tax schedules and laws should be revised with a view to increasing revenue. Consideration should be given to creation of trusts, gifts, and powers of appointment should be closed.

"We would point out in conclusion, that the present high level of federal tax revenue emphasizes the need for serious consideration and action on studies that have been made carrying recommendation for integrating Federal and State policies and programs in certain fields. Such integration could result in eliminating much needless overlapping and duplication, would make for a high degree of progression, and could do much to eliminate conflicts among states, and between states and the Federal Government, in the tax field."

AFL's Largest Convention To Act In Labor Crisis; Council Predicts Aroused Workers Will Win Out

Optimistic Report Says Resurgence of Labor Will Result from Harsh and Repressive Effects of Anti-Labor Legislation

For Release Oct. 6:

San Francisco.—Rallying the forces of organized labor to mobilize their full strength in order to repeal the Taft-Hartley Act, the Executive Council of the American Federation of Labor struck an optimistic note in its report to the 66th annual AFL convention here.

Without minimizing the harsh and repressive effects of the new law, the Council predicted that it will have the effect of arouse the nation's workers to a fighting pitch of union loyalty which is bound to result in a great resurgence of the trade union movement.

After assailing Congress and reactionary employers for the enactment of the Taft-Hartley Act, the Executive Council said in its report (verbatim):

"The action of Congress is doubly regrettable because the world is looking to the United States for material help and for proof that democracy assures rights and opportunities for all national groups. Though the fighting war is over we have not yet won the peace for democracy. In the present crisis of international relations, all our national policies are under world review and directly affect our ability to carry out our international programs. Reactionary employers see their great opportunity not to serve but to embarrass the cause of democracy.

"These efforts to handicap and weaken unions have roused wage earners of the United States who have the resourcefulness and the faith to meet their difficulties in a way that will serve and strengthen free trade union institutions. The coming year will witness a revival of trade unions which will make each member conscious of his responsibilities."

Other highlights of the Executive Council's report to the convention follow:

Relations With the CIO

The Executive Council warned against any collaboration with the CIO until both organizations unite in support of the labor movement.

The AFL, the Council said, stands ready to meet with the CIO for the purpose of working out details of such a merger, provided by both sides.

"We believe that this is the first and primary requirement," the report said. "All other things are incidental. We cannot have peace and war at the same time. We cannot pretend to work together in the legislative field while engaged in fighting and raiding each other in another field. We believe the rank and file in both the AFL and the CIO favor the establishment of organized unity immediately, and the termination of strife, division, hatred and bitterness."

Foreign Policy

Condemnation of Soviet Russia's aggressive and expansionist policies featured the Council's declaration on foreign policy.

"The American Federation of Labor is gratified to note the extent to which our government has abandoned a policy of appeasement and adopted a policy of plain speaking," the Council report said.

"We note with approval a proposal in Congress to urge amendment of the Charter of the United Nations to abolish the veto power of the five nations and to substitute majority rule for all determinations."

The Council recommended further direct representation and consultation with labor in United Nations agencies.

High Cost of Living

Inflation is having a serious and adverse effect upon the entire national economy, the Executive Council warned. The upward surge of living costs has wiped out gains in wage rates and forced workers to dig into their savings to an alarming degree.

Even with general full employment, the Council found, prosperity for the masses of the American people is still far beyond reach. Huge profits and excessive profits are enabling corporations to abandon plans to purchase many products they need, thus drying up the buying of manufactured goods which must be maintained for a balanced economy.

The Executive Council urged the extension of consumer cooperatives to ease the pressure of high living costs on wage earners and to force prices down.

For Release Oct. 6:

Russian Obstructionist Policy Hit; Foreign Policy Held Vital to Labor

San Francisco.—The Executive Council declared that labor must insist itself in foreign affairs "unequivocally" and called for "plain speaking" in our relations with Soviet Russia which nation has blocked all efforts toward world peace and security.

In a section of its report dealing with foreign policy the Council declared:

"The time is past when the labor movement of any country can safely refrain from interesting itself in national policies which affect international or positive standards by which that policy should be determined. It is no longer be satisfied merely with the negative role of trying to avert the catastrophe we earnestly wish to avoid, we have learned that only by alert and tireless planning to maintain peace and security. We are constantly made conscious of how national policies are related to foreign policies and how foreign policies impact on national problems."

Criticizing Russia for her obstructionist tactics in blocking European recovery and in her opposition toward world peace, the Council said:

"We have witnessed Soviet tactics in preventing even formulation of the Austrian peace treaty; in blocking action in the Security Council on a security military force to be used by that body to perform its duties under the charter so as to prevent or block the instigation of obvious efforts at aggression in the Balkans. Such experiences have brought our government to a realization of the need for positive action to assure democratic countries opportunity for economic and political recovery.

"When it became obvious that Soviet Politburo intended to extend its control by pressure on Greece and Turkey, the President called for appropriations to enable us to safeguard these key states. The purpose of the President's plan were later embodied in Secretary Marshall's proposal for economic recovery of Europe.

"However, the USSR refused to cooperate and has effectively forbidden its satellite border nations to participate, thus dividing Europe.

"The Moscow Potsdam Conference in 1945 there have been no further conferences between the heads of the United States and Russia. Correspondence between the officials responsible for foreign affairs of the two countries of last spring which the Soviet representatives broke off in destructive and dilatory tactics. It is clear that Russia does not want peace in Europe and either does not understand or does not cooperate with the give and take necessary to reach agreements. Such a show of force and aggression more suitable to the jungle.

"In United Nations meetings, the agents of the USSR have time and blocked majority decisions by use of its veto power. Such abuse of power which was intended for reluctant use in serious situations, makes plain that the Charter must be amended or be given a farce.

"The American Federation of Labor is dedicated to note the extent to which our government has abandoned a policy of appeasement and adopted a policy of plain speaking."

The Council urged revision of the United Nations the Council's report urged amendment of the Charter of the United Nations to "abolish the veto power of the five nations and substitute majority rule for all determinations."

The Charter should be amended further, the Council declared, to provide for the limited participation in the United Nations to prevent its becoming a high level of diplomatic futility by the governments of the United Nations. The report stated:

"The American Federation of Labor believes that the work of the United Nations should be kept close to the people of all nations through participation of such national functional groups. Such participation would replace existing provisions, giving consultative status to non-governmental agencies, for the experience of such groups would be considered in the formulation of national policies."

AFL COUNCIL TO ISSUE ADDITIONAL REPORTS

San Francisco.—The Executive Council let it be known that it plans to submit several vitally important supplementary reports to the AFL convention after the sessions get under way. Among these are:

1—A report outlining plans for an integrated political drive in 1948 to defeat the enemies of labor.

2—A report recommending how funds can be raised for carrying on political activities and for financing a broad educational and public relations program in 1948.

3—A report giving the conclusions reached by the officers of affiliated national and international unions at their special conference in Washington last July on methods to elect new handicaps placed upon labor by the Taft-Hartley Act.

For Release Oct. 6:

Council Restates Veterans Policy

San Francisco.—The Executive Council restated its veterans policy concerning veterans should not only adjust the legitimate grievances but should create an atmosphere of goodwill in which both veterans and nonveterans receive equal treatment as citizens.

"Veterans and non-veterans alike must realize that this country will prosper only if all groups are prosperous," the Council's report declared.

"For the American Federation of Labor, we urge that every possible step be taken to cement friendly relations between veterans and organized labor. Altogether much progress has been made in this, it is important that we avoid any substantial drop in employment is likely to create new tension.

"As a result to the era of unemployment and job competition will be disastrous to all workers. But the veterans will look upon it as their betrayal. It is the responsible to responsibility of maintaining full employment, 'Veterans marches' of 1932 are certain to be repeated on a greatly magnified scale.

"Soldiers and sailors of yesterday are workers and citizens of today. As workers and as citizens, they must make common cause with organized labor in furthering policies which would avert another depression and help build a nation strong in peace, and help build a better life to all."

The Council reviewed the policies of the AFL veterans' committee involved in the veteran's reintegration into civilian life. The report hailed the work of the AFL Veterans Committee, saying:

"The American Federation of Labor Veterans Committee under direction of Vice-President Woll, Secretary-Treasurer Meany and Robert J. Watt, translated these objectives into specific policies and programs, followed by virtually all of our unions. Initiation and reinstatement fees have been waived or drastically reduced, dues have been suspended, veterans retained without dues, benefits paid, apprenticeship requirements waived, and special contract clauses written in order to make it easier and more easier for the veteran and to give him better protection on his job.

"Through the mechanism of collective agreements the veteran's right to his job and all improvements in terms of employment secured by the union in his absence have been incorporated in the agreements, including promotions, vacations, and disability benefits, and pension plans. These go far beyond the limitations of the Selective Service and Veterans' Reemployment Act."

Turning to the problem of veterans housing, the Council urged adoption of the Wagner-Ellender-Taft bill to stimulate home building on a long-range basis. The report asserted:

"The American Federation of Labor is deeply concerned with the principle that the availability of a decent home is essential to the psychological stability of the whole community."

CONSUMER EXPENDITURES UP 80% OVER 1929 LEVEL

Washington, D. C.—Interesting figures are shown in a recent report issued by the Institute of Life Insurance. American consumers spent $143 billion, or 80 percent more in 1946 than in 1929. Just for "good looks" the American people spent more than $2 billion in beauty and barber shops.

Largest AFL Membership In History Will Back Convention Moves to Repeal New Labor Law and Defeat Reactionaries

For Release Oct. 6:

San Francisco.—Backed up by its largest membership in history, the 66th annual convention of the American Federation of Labor came to grips with the most legal crisis ever faced by organized labor in America.

As President William Green rapped the gavel, calling the 600 delegates to order and formally opening the convention sessions, the attention of the Federation's new high total of 7,577,716 members was focused on San Francisco, awaiting the important decisions to be made on dealing with the Taft-Hartley Act.

That the American Federation of Labor intends to fight this obnoxious and repressive law with all its power and to carry on the fight relentlessly until the law is repealed, was made evident by the expressed attitude of the delegates from 105 national and international unions, as well as State Federations of Labor, City Central bodies and directly affiliated local unions.

Unanimous sentiment was that the forces of democracy and progress will prevail over the reactionary tide which put over the Taft-Hartley Bill emanated from every section of the convention floor in the Civic Auditorium.

The delegates were expected to consider a 4-day attack on the predominant problem of the Taft-Hartley Act:

1—To challenge specific provisions of the law in the courts and to seek a decision by the National Labor Relations Board overruling NLRB Chief Counsel Robert Denham's refusal to issue complaints against unions at AFL Executive Council members.

2—To negotiate new union contracts with employers which will obviate application of some of the stringent provisions of the Taft-Hartley Act.

3—To establish a vigorous educational campaign, including the use of newspaper advertising and sponsored radio programs, to rally public opinion against the Taft-Hartley Act.

4—To intensify the AFL's political activities in the 1948 campaign so as to defeat those who voted for the law and to elect a new Congress which will have a mandate to repeal the Taft-Hartley Act.

Aside from the discussion of the Taft-Hartley legislation, the attention of the delegates was centered on two other major subjects.

First, the delegates were expected to take action to lower the cost of living. Higher prices, they charged, had wiped out wage gains and threaten the entire national economy.

Second, the delegates appeared deeply concerned by the recent developments in the international situation and the attitude of Soviet Russia. To maintain world peace, they felt, an immediate showdown with Russia is necessary.

Convention committees prepared to hold hearings on large numbers of resolutions and Executive Council recommendations dealing with national and State legislation.

Heading the list of legislation which the convention is expected to demand of Congress are these bills:

1—Amendment of the Fair Labor Standards Act to boost the minimum wage from the present inadequate low level of 40 cents an hour to at least 70 cents.

2—Enactment of the Wagner-Ellender-Taft Bill, which would make possible the construction of 15 million new homes in America during the next ten years.

3—Passage of the Wagner-Murray-Dingell Bill, to increase Social Security benefits in line with advancing living costs, to widen the coverage of such benefits and to establish a nation-wide system of insurance against the costs of medical care.

A number of distinguished speakers have been invited by President Green to address the delegates at the convention while the committees are holding hearings and preparing their reports to the convention.

Among the prominent speakers who are expected to hear from Secretary of Labor Schwellenbach and Mayor Hubert H. Humphrey of Minneapolis, leading anti-Communist liberal. Senator Wayne Morse, Oregon, and Lyndon B. Johnson, Vice President of the National Public Housing Conference, will talk on legislative matters.

Problems relating to veterans will be discussed by the new Commander of the American Legion, James F. O'Neill; General Mark W. Clark, World War II hero and now commanding general of the U. S. Sixth Army, and J. R. Klaeser, Commander of the Legislative Committee of the Veterans of Foreign Wars.

International affairs will come into the spotlight when the convention hears from Kurt Schumacher, colorful head of the Social Democratic Party in Germany, who has been released from a Nazi prison by the Allies; Irving Brown, the AFL's European representative; Joseph Keenan, Secretary of the Chicago Federation of Labor, who has been appointed Lucius Clay's staff in the American occupied zone of Germany; James S. Killen, Labor Vice President of the AFL's Pulp, Sulphite and Paper Mill Workers, who now heads up General MacArthur's labor division in Japan, and Ed Peskin, Director of the International Labor Organization.

For Release Oct. 6:

Advertising, Radio Shows Included In Proposed Public Relations Program

San Francisco.—The Executive Council outlined a long-term and time panded educational and public relations program which was adopted in 1946.

That approved by the convention, the AFL will embark on a newspaper advertising drive and sponsor a weekly popular nation-wide radio program over the 1948.

The text of the statement follows:

"At present the radio industry dominates the media through which the opinion of the American people is formed. We are forcibly impressed upon us the necessity of meeting the Taft-Hartley Bill was being considered by Congress.

Almost without fail, the specious propaganda furnished to the press by the supporters of this legislation was given wide publicity in the press and over the radio. On the other hand, attempts by labor officials to refute the false statements were given the true nature of the legislation were given scant attention.

The daily newspapers, with an almost unbroken front editorially supported the legislation editorially. Many of these publications have been on a virtual crusade for the Taft-Hartley Bill long before it became law. If anyone who opposed it. The same was true, to a large extent, of radio commentators, one of whom even had the effrontery to identify the measures as 'the labor reform bill.'

Because of this situation, the Executive Council authorized a special advertising and radio campaign, financed by assessments on national and international unions, to bring home the truth about the legislation to the American people. Thus, for the first time in its history, the American Federation of Labor was compelled to enter the opinion field and time on the air, day after day and week after week, in the same way that is used by any other well financed group.

The fact that the Taft-Hartley Bill was overwhelmingly passed by President Truman's veto does not detract from the effectiveness of the educational campaign against it which was carried on by the American Federation of Labor.

The need for the establishment and maintenance of a permanent public relations program for the purpose of offsetting the widespread propaganda against the powerful forces arrayed against organized labor is both very great and clearly apparent.

The American Federation of Labor therefore should be almed not only at the repeal of the Taft-Hartley Act and the defeat of similarly repressive legislation, but also to secure the positive achievements of the labor movement. Federation of Labor is behalf of the nation's workers and the welfare of the nation.

The task of building up better relations with newspapers will require expansion of the Information Service of the Federation of Labor. It will require a planned annual program of newspaper advertising and it will likewise involve a carefully prepared series of radio programs on an annual basis designed to reach a maximum audience. In the radio field the entertainment unions affiliated with the American Federation of Labor, which rendered such splendid service during the campaign against the Taft-Hartley Act, have volunteered to cooperate fully on a long-term basis.